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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.
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09/216,206 12/18/98 KAY

H EWG-079

EXAMINER

025181 TM02/0103
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MYHEE T

ART UNIT

PAPER NUMBER

2162
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Please find below and/or attached an Office communication concerning this application or proceeding.

Commissioner of Patents and Trademarks

Office Action Summary

Application No.
09/216,206

Applicant(s)
KAY et al

Examiner
James Myhre

Group Art Unit
2162



☒ Responsive to communication(s) filed on Oct 17, 2000

☒ This action is **FINAL**.

☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11; 453 O.G. 213.

A shortened statutory period for response to this action is set to expire 3 month(s), or thirty days, whichever is longer, from the mailing date of this communication. Failure to respond within the period for response will cause the application to become abandoned. (35 U.S.C. § 133). Extensions of time may be obtained under the provisions of 37 CFR 1.136(a).

Disposition of Claims

☒ Claim(s) 1-28 is/are pending in the application.

Of the above, claim(s) _____ is/are withdrawn from consideration.

☐ Claim(s) _____ is/are allowed.

☒ Claim(s) 1-13 and 19-23 is/are rejected.

☐ Claim(s) _____ is/are objected to.

☒ Claims 14-18 and 24-28 are subject to restriction or election requirement.

Application Papers

☐ See the attached Notice of Draftsperson's Patent Drawing Review, PTO-948.

☐ The drawing(s) filed on _____ is/are objected to by the Examiner.

☐ The proposed drawing correction, filed on _____ is ☐ approved ☐ disapproved.

☐ The specification is objected to by the Examiner.

☐ The oath or declaration is objected to by the Examiner.

Priority under 35 U.S.C. § 119

☐ Acknowledgement is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d).

☐ All ☐ Some* ☐ None of the CERTIFIED copies of the priority documents have been
☐ received.

☐ received in Application No. (Series Code/Serial Number) _____

☐ received in this national stage application from the International Bureau (PCT Rule 17.2(a)).

*Certified copies not received: _____

☐ Acknowledgement is made of a claim for domestic priority under 35 U.S.C. § 119(e).

Attachment(s)

☐ Notice of References Cited, PTO-892

☐ Information Disclosure Statement(s), PTO-1449, Paper No(s). _____

☐ Interview Summary, PTO-413

☐ Notice of Draftsperson's Patent Drawing Review, PTO-948

☐ Notice of Informal Patent Application, PTO-152

--- SEE OFFICE ACTION ON THE FOLLOWING PAGES ---

Art Unit: 2162

DETAILED ACTION

Response to Amendment

1. The amendment filed on October 17, 2000 has been considered but is ineffective to overcome the Hanson et al (5,974,398) and Gerace (5,991,735) references.

Election/Restriction

2. Newly submitted claims 14-18 and 24-28 are directed to an invention that is independent or distinct from the invention originally claimed for the following reasons: the original claims were directed to a method for selecting advertisements for presenting during viewing opportunities based on bids submitted by advertisers, with the bids calculated by determining the effectiveness of the advertisement on the website previously. The new claims listed above are directed to calculating a schedule for displaying an advertisement during a promotional period, with the schedule based on the effectiveness of the advertisement on a plurality of websites previously and the estimated number of future viewing opportunities.

Since applicant has received an action on the merits for the originally presented invention, this invention has been constructively elected by original presentation for prosecution on the merits. Accordingly, claims 14-18 and 24-28 are withdrawn from consideration as being directed to a non-elected invention. See 37 CFR 1.142(b) and MPEP § 821.03.

Art Unit: 2162

Claim Rejections - 35 USC § 103

3. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

4. Claims 1-13 are rejected under 35 U.S.C. 103(a) as being unpatentable over Hanson et al (5,974,398) in view of Gerace (5,991,735).

Claims 1, 4, 5, and 11: Hanson discloses a system and method for presenting advertisements online, comprising:

- a. Storing advertisements on a web server (col 5, lines 48-50);
- b. Supplying selection criteria for view-ops (accessing web site)(col 3, lines 50-56);
- c. Calculating and selecting advertisements with matching criteria (col 5, lines 3-10); and
- d. Basing the selection on the historical results of displaying the advertisement on the web site (col 4, line 61 - col 5, line 2).

While Hanson discloses a historical database which is used to record and track the usage of the site by various customers and for adjusting the advertiser's subsequent bid amounts, Hanson does not explicitly disclose that the calculations take into account the effectiveness of displaying the advertisement on the site. Gerace discloses a similar system and method for

Art Unit: 2162

determining a behavioral profile of a computer user in which the advertisement cost is based upon the number of times the advertisement was displayed, the number of hits received, and number of subsequent purchases made by customers (col 3, lines 18-26, col 4, lines 54-61, and col 5, lines 54-67). It is also well known within the marketing art to increase or decrease the amount of marketing funds spent on an advertising medium based on the effectiveness of that medium, such as tracking the effectiveness of an advertisement in a particular magazine compared to the same advertisement in a different magazine. This is the basis for setting up any kind of effective marketing and promotional campaign, no matter what medium or mix of media is used. Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to include this information as part of the criteria used by Hanson to select the advertisement. One would have been motivated to include the historical data of the site in order to increase the effectiveness of the marketing funds spent.

Claim 2: Hanson and Gerace disclose the system and method for presenting advertisements online as in Claim 1 above. Both references further disclose scheduling the matching advertisements (Hanson, col, 7, lines 5-21)(Gerace, col 15, lines 21-33).

Claims 3, 8, 9, and 10: Hanson and Gerace disclose the system and method for presenting advertisements online as in Claim 2 above. Gerace further discloses performing the calculation for each view-op after an initialization/evaluation period (col 4, lines 44-61; col 14, lines 17-45; and col 17, lines 22-44). Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to include an initialization/evaluation period for new

Art Unit: 2162

users of Hanson's system. One would have been motivated to include an initialization/evaluation period in order to allow "sponsors to better direct their advertisements and enables advertisements to be tailored to target users' display preferences" as stated by Gerace (col 4, lines 59-61).

Claim 6: Hanson and Gerace disclose a system and method for presenting advertisements online as in Claim 4 above. Hanson further discloses selecting, scheduling, and displaying the highest bids (col 5, lines 38-42 and col 8, lines 1-10).

Claim 7: Hanson and Gerace disclose a system and method for presenting advertisements online as in Claim 6 above. Gerace further discloses using regressive techniques for calculating the performance of the advertisements (col 5, lines 54-67). Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to include past, present, and projected future performance data of each advertisements to the sponsor in the Hanson system. One would have been motivated to include all types of performance data in order to enable the sponsor to make better marketing decisions in regards to the type of advertisement and the level of the corresponding bid.

Claims 12 and 13: Hanson and Gerace disclose a system and method for presenting advertisements online as in Claims 1 and 4 above. Both references further disclose that the bids upon which the selection is based are monetary bids (Hanson, col 5, lines 39-42)(Gerace, col 12, lines 30-50).

Art Unit: 2162

Claims 19 and 22: Hanson discloses a system and method for presenting advertisements online, comprising:

- a. Storing advertisements (col 5, lines 48-50) and advertisement campaign information (col 6, lines 6-20) on a web server;
- b. Supplying selection criteria for view-ops (accessing web site)(col 3, lines 50-56);
- c. Calculating and selecting advertisements with matching criteria (col 5, lines 3-10); and
- d. Basing the selection on the historical results of displaying the advertisement on the web site and the advertisement campaign information (col 4, line 61 - col 5, line 2).

While Hanson discloses a historical database which is used to record and track the usage of the site by various customers and for adjusting the advertiser's subsequent bid amounts, Hanson does not explicitly disclose that the calculations take into account the effectiveness of displaying the advertisement on the site. Gerace discloses a similar system and method for determining a behavioral profile of a computer user in which the advertisement cost is based upon the number of times the advertisement was displayed, the number of hits received, and number of subsequent purchases made by customers (col 3, lines 18-26, col 4, lines 54-61, and col 5, lines 54-67). It is also well known within the marketing art to increase or decrease the amount of marketing funds spent on an advertising medium based on the effectiveness of that medium, such as tracking the effectiveness of an advertisement in a particular magazine compared to the same

Art Unit: 2162

advertisement in a different magazine. This is the basis for setting up any kind of effective marketing and promotional campaign, no matter what medium or mix of media is used. Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to include this information as part of the criteria used by Hanson to select the advertisement. One would have been motivated to include the historical data of the site in order to increase the effectiveness of the marketing funds spent.

While Hanson does not explicitly disclose determining a display schedule (based on the advertising campaign information and advertisement effectiveness) and determining whether or not to display the selected advertisement based upon the display schedule, Hanson's disclosure of the stored advertising campaign data including such data as the start and end dates of the campaign, budget constraints, exhaustion of promotional samples, and the like (col 8, lines 14-17), renders it obvious to check this data to ensure the viewing opportunity falls within these limiting factors (such as between the start date and the end date) and to preclude the display of the advertisement if the viewing opportunity falls outside these limiting factors. One would have been motivated to stop the display of the advertisement when the viewing opportunity did not fall within the limiting factors in order to better conform to the desires (and budget constraints) of the advertiser's marketing campaign.

Claim 20: Hanson and Gerace disclose a system and method for presenting advertisements online as in Claim 19 above, and Hanson further discloses comparing the demographic profile information about the user with the viewing opportunity (col 7, lines 10-21).

Art Unit: 2162

Claim 21: Hanson and Gerace disclose a system and method for presenting advertisements online as in Claim 19 above, and Hanson further discloses comparing information from the website (type of site) with the viewing opportunity (col 8, lines 17-23).

Claim 23: Hanson and Gerace disclose a system and method for presenting advertisements online as in Claim 19 above, and Hanson further discloses providing effectiveness statistics (feedback) to the advertisers (col 8, lines 28-32). Gerace's disclosure also includes reporting the effectiveness of the advertisement to the sponsor in various report formats, such as an Overview Report, a Detailed Package Report, a Demographic Report, a Psychological Profiling Report, and others (col 13, lines 12-55).

Response to Arguments

5. Applicant's arguments filed October 10, 2000 have been fully considered but they are not persuasive.

a. Applicant argues that neither reference discloses determining whether or not an advertisement should be displayed during a viewing opportunity based on historical display data. This feature has been discussed at length in reference to Claims 1, 4, 5, and 11 in paragraph 4 above.

b. Applicant argues that it is not well known within the marketing arts to allocate advertising expenditures based on the effectiveness of the media and specifically points to the language in Claim 1 which considers the results achieved by an advertisement during previous

Art Unit: 2162

displays on the same site. As discussed in paragraph 4 above, this is the basis for spending decisions throughout marketing campaigns. An advertiser constantly compares the effectiveness of each medium (such as particular magazines, newspapers, radio or TV stations, etc.) to determine how to allocate the finite budget for the advertising campaign. With the advent of the Internet in the early 1990's as a new venue for presenting information (including advertisements) to potential customers, it is obvious that marketing campaign managers would include the effectiveness of this medium when making budgetary decisions. Additionally, just as the effectiveness of different magazines would vary based on such factors as the number and demographics of the readers, area of distribution, etc., so too would the effectiveness of each website vary depending on the popularity of the site. For example, it would be obvious that a well-known website, such as the AOL homepage, Amazon.com, Yahoo homepage, etc., would be a much more lucrative prospect for displaying an advertisement than would be one of the Examiner's personal websites.

c. Applicant also argues that "scheduled updating of information at fixed intervals is not the equivalent of an initialization or evaluation period" and cites Gerace. The Examiner notes that in the cited passage Gerace discloses an example where the program runs an initial regression after the advertisement has received 10,000 hits to determine what characteristics are important, and then runs additional regression periodically. This initial regression is the "initialization or evaluation period" for Gerace's system. The subsequent regressions are for updating the initial evaluation.

Art Unit: 2162

Conclusion

6. **THIS ACTION IS MADE FINAL.** Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Exr. James W. Myhre whose telephone number is (703) 308-7843. The examiner can normally be reached on weekdays from 6:00 a.m. to 3:30 p.m.


If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, James P. Trammell, can be reached on (703) 305-9768. The fax phone number for Formal or Official faxes to Technology Center 2100 is (703) 308-9051 or 9052. Draft or informal faxes for this Art Unit can be submitted to (703) 305-0040.

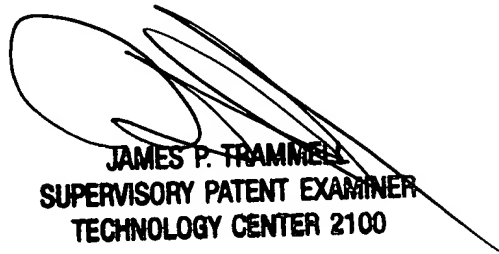
Serial Number: 09/216,206

Page 11

Art Unit: 2162

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the Group receptionist whose telephone number is (703) 308-3900.


JWM
December 27, 2000


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SUPERVISORY PATENT EXAMINER
TECHNOLOGY CENTER 2100